Examining Bitcoin Custody Under Stress

A Framework for Observation and Recording

Version 1.0

January 2026

Scope: Descriptive reference for Bitcoin custody behavior under modeled stress.
No instructions, recommendations, or guarantees.

Table of Contents

Document Role Statement **3**

What This Document Is 3

What This Document Is Not 3

Part I — Why Examination Exists **4**

Chapter 1: Custody Is Built in Calm and Activated in Disruption 4

Chapter 2: Examination Versus Interpretation 4

Chapter 3: Why This Is Not Planning or Preparation 4

Part II — Defining the Object of Examination **5**

Chapter 4: What Is a Bitcoin Custody System 5

Chapter 5: System Boundaries and Ambiguity 5

Chapter 6: Assumptions as Structural Constraints 5

Extended Definitions: Outcome States 5

Extended Definitions: Reference Artifacts 5

Third-Party Encounters 5

Temporal Considerations 5

Examination Scope and Limits 5

Boundaries Between Components 5

Observations and Their Granularity 5

Recording Methodology 5

Verification and Reporting 5

Assumption Categories 5

Scenario Construction 5

Outcome Recording 5

Artifact Organization 5

Record Durability 5

Interpretive Constraints 5

Professional Context 5

Coordination Among Parties 5

Custody Operations 5

Recovery Paths 5
Inheritance Transitions 5
Multi-Signature Considerations 5
Backup Architectures 5
Documentation Practices 5
Institutional Relationships 5
Legal Arrangements 5
Vendor Dependencies 5
Credential Management 5
Device Characteristics 5
Network Requirements 5
Geographic Distribution 5
Access Prerequisites 5
Timing Constraints 5
Capacity Requirements 5
Communication Requirements 5
Failure Modes and Recording 5
Indeterminate Outcomes and Recording 5
Record Completeness 5
Record Accuracy 5
Scenario Coverage 5
Modeled Versus Actual Behavior 5
Examination Boundaries 5
Artifact Formats 5
Artifact Distribution 5
Ongoing Validity 5
Supersession 5
Examination Triggers 5
Examination Resources 5
Examiner Role 5
Framework Versioning 5

Part III — Stress as an Examination Lens 6

Chapter 7: What Stress Means in This Context 6

Chapter 8: Scenario-Based Examination 6
Chapter 9: Applying Scenarios Without Explanation 6

Part IV — Recorded Observations and Outcomes 7
Chapter 10: Modeled Outcome States 7
Chapter 11: Time-Bound Validity 7
Chapter 12: Partial States and Irreversibility 7

Part V — Reference Artifacts 8
Chapter 13: What Examination Produces 8
Chapter 14: What Records Can and Cannot Establish 8
Chapter 15: Storage, Sharing, and Reading 8

Part VI — Use Without Obligation 9
Chapter 16: Appropriate Use 9
Chapter 17: Explicitly Rejected Uses 9
Chapter 18: Legal and Professional Boundaries 9

Part VII — Closing Frame 10
Chapter 19: The Neutral Reference Question 10
Chapter 20: Final Boundary Statement 10

Appendices 11
Appendix A: Canonical Examination Vocabulary 11
End of Document 11

Document Role Statement

What This Document Is

This document defines a descriptive framework for examining a specific Bitcoin custody system under defined stress conditions, at a point in time, to create reference records.

The framework describes how custody systems are examined, what is recorded, how stress conditions are applied, and what kinds of reference artifacts result.

The framework exists independent of any product, service, or commercial offering.

What This Document Is Not

This document is not a product description, service description, checklist, guide, recommendation framework, standard of care, or evaluation of adequacy.

The framework does not require that any examination be performed. No obligation or relationship arises from reading this document.

Part I — Why Examination Exists

Chapter 1: Custody Is Built in Calm and Activated in Disruption

Bitcoin custody systems are assembled under conditions that rarely persist. The person designing a custody arrangement typically has full knowledge of the system, access to all relevant credentials, understanding of the rationale behind each decision, and the cognitive and physical capacity to operate the system as intended.

These conditions define the construction environment. They do not define the activation environment.

Activation occurs when the custody system must function in circumstances other than routine use by the person who designed it. Activation may occur because the original owner is unavailable, incapacitated, deceased, or otherwise unable to operate the system.

Systems constructed with full context may later be activated under partial context, constrained availability, or absent implicit knowledge.

Examination records what exists at a point in time under stated assumptions.

Within this framework, examination is limited to observation. Examination does not modify the system. It creates a record of what was observed, under what assumptions, at what time.

The Construction Environment

When a Bitcoin custody system is constructed, certain conditions typically obtain. The person designing the system understands why each component exists. They know where credentials are stored, what devices are involved, what documentation exists, and what dependencies the system has on other people or institutions.

This understanding is often implicit. It exists in the mind of the designer but is not necessarily recorded anywhere. The gap between what the designer knows and what the documentation contains may be substantial.

The construction environment assumes availability and cognitive capacity. The designer has access to the devices, credentials, and documentation involved. They can remember details, reason about contingencies, and navigate complexity.

The Activation Environment

Activation environments differ from construction environments in predictable ways. The person attempting to use the custody system may not be the person who designed it. Even if they are the same person, they may be operating under conditions that impair their capacity or access.

Activation environments are characterized by incomplete information and constrained resources. Time may be limited. Access to devices or credentials may be uncertain. Assistance from other people may be unavailable or difficult to coordinate.

Examination records what exists so that the state of the system can be referenced later, regardless of what happens during activation.

Chapter 2: Examination Versus Interpretation

Examination is the process of observing a Bitcoin custody system under stated assumptions and stress conditions, and recording those observations. Examination is performed while the system can be directly observed. Examination produces records.

Interpretation is the process of making sense of records, artifacts, or system components when the original owner is absent. Interpretation occurs after stress, in the sense that it is performed when the system must be understood by someone other than its designer. Interpretation uses records.

This document defines examination. It does not define interpretation. Examination creates inputs that interpretation may later consume. Examination does not control how interpretation proceeds.

Examination Does Not Explain Failure

A custody system may fail under stress. Examination does not explain why. Examination records what was observed. If the system later fails, the records may be consulted. Examination itself does not provide the explanation.

Examination may note that, under stated assumptions, a particular component would not be accessible. This is an observation, not an explanation. Whether that inaccessibility constitutes failure are questions outside the scope of examination.

Examination Does Not Suggest Action

Examination does not tell anyone what to do. It does not recommend changes to custody systems. It does not suggest improvements. It does not identify problems that should be fixed.

Examination is observation. Observations do not imply actions. A record that notes a particular condition does not imply that the condition should be changed.

Chapter 3: Why This Is Not Planning or Preparation

Planning involves deciding what a custody system should look like, what components it should include, and how it should be configured. Planning is constructive. It builds toward a goal.

Preparation involves taking steps to make a custody system more likely to function under stress. Preparation is also constructive. It modifies the system or its environment.

Examination involves observing what exists and recording those observations. Examination is descriptive. It does not build or modify. Examination implies nothing about whether the system is good or bad, adequate or inadequate, likely to succeed or likely to fail.

Observation and Plans Under Stress

Plans assume that the future will resemble the conditions under which the plan was made. When assumptions hold, plans work. When they do not, plans become unreliable.

Observations are assumption-bound. A record of what existed at a point in time remains valid regardless of what happens later. The custody system may change, but the observation of what existed at that moment does not become false. It may become irrelevant, but it does not become incorrect.

Examination and Outcomes

Examination does not change the custody system. It creates records about the system, but the system itself is unaffected. Examination does not alter system behavior.

Examination produces records. Records do not change outcomes by themselves.

Part II — Defining the Object of Examination

Chapter 4: What Is a Bitcoin Custody System

A Bitcoin custody system is the complete arrangement of components required to maintain control over bitcoin and to transfer that control when necessary. It is not merely the wallet or the keys. It is the entire socio-technical system that enables custody to function.

Components of a Custody System

A custody system includes technical components: hardware devices that store keys, software that creates and broadcasts transactions, backup mechanisms that preserve key material, and network infrastructure that connects to the Bitcoin network.

A custody system includes informational components: documentation that explains how the system works, records that identify where components are located, credentials that enable access, and instructions that describe procedures.

A custody system includes human components: people who have knowledge about the system, people who have authority to act, people who provide professional services, and people who may need to interact with the system in the future.

A custody system includes institutional components: legal arrangements that govern authority, financial institutions that hold related assets, vendors that provide services, and regulatory frameworks that constrain operations.

Why Isolated Analysis Is Insufficient

Examining a wallet in isolation does not constitute examining a custody system. A wallet is one component of a custody system. Its behavior depends on other components.

Consider a hardware wallet. The wallet itself stores keys. But accessing those keys may require a PIN known only to the owner, a seed phrase stored in a separate location, firmware maintained by a vendor, and physical possession of the device. Each of these dependencies involves components outside the wallet itself.

Examination of a custody system requires examining the relationships between components, not just the components themselves.

System Boundaries

Custody systems do not have natural boundaries. Examination requires that boundaries be specified. For purposes of examination, a custody system includes all components that affect the ability to maintain control over a defined set of bitcoin.

Examination records should document what boundaries were used.

Chapter 5: System Boundaries and Ambiguity

Real custody systems contain ambiguity. Not all components are known with certainty. Not all relationships are clear. Not all information is accurate. Examination addresses this ambiguity without resolving it.

Reported Versus Verified Components

Examination relies on information provided about the custody system. This information may come from the owner, from documentation, or from direct observation. Not all information can be verified.

A reported component is something described as part of the custody system but not independently confirmed. A verified component is something confirmed through observation or testing. Examination records distinguish between these categories.

Examination does not assume that reported information is accurate. It records what was reported and what was verified, without asserting that either is complete or correct.

Known Versus Assumed Elements

Known elements are those that have been directly observed or definitively stated. Assumed elements are those inferred from other information.

Examination records are explicit about what is known and what is assumed.

Recording Uncertainty

Uncertainty is a property of examination, not a defect. Perfect knowledge of a custody system is rarely achievable. Examination does not require perfect knowledge. It requires honest recording of what is known, what is assumed, and what is uncertain.

Examination does not resolve uncertainty. It records uncertainty as part of the observation.

Chapter 6: Assumptions as Structural Constraints

Examination is assumption-bound. Every examination occurs under stated assumptions. These assumptions limit what the examination can reveal and constrain the meaning of its records.

Why Assumptions Must Be Explicit

Assumptions shape observations. An examination that assumes the owner is available will produce different observations than an examination that assumes the owner is unavailable. Both examinations may be valid, but they are not interchangeable.

Implicit assumptions have observable consequences: a reader who does not know what assumptions were used may interpret records incorrectly.

Stated assumptions bound the applicability of recorded observations.

Types of Assumptions

Examinations involve assumptions about availability: Who is available to participate in custody operations? What devices are accessible? What credentials can be obtained?

Examinations involve assumptions about cooperation: Will relevant parties cooperate with custody operations? Will institutions respond to requests?

Examinations involve assumptions about accuracy: Is the information provided correct? Is documentation current?

Examinations involve assumptions about timing: How quickly must operations occur? How long can delays be tolerated?

Assumptions and Meaning

Stating an assumption does not assert that the assumption is correct. It defines the conditions under which the examination was performed. Different assumptions would produce different examinations.

Assumptions are structural constraints, not predictions. They define the scope of examination. They do not forecast the future.

Extended Definitions: Outcome States

Survives has specific meaning within this framework. An operation survives if, under stated assumptions and stress conditions, the operation can be completed. Completion means that the intended result of the operation is achieved.

The required components must be accessible. Accessible means that the components can be located and used by the parties who need them under the assumed conditions.

The required parties must be available or unnecessary. Available means that the parties can participate when needed. Unnecessary means that the operation does not require those parties under the stated conditions.

The required steps can be performed. Performable means that the steps are within the capabilities of the available parties given the accessible components.

Constrained has specific meaning within this framework. An operation is constrained if it can be completed but with material limitations.

Material limitations include partial access, where only some of the intended result is achieved. Material limitations include extended timelines, where the operation takes longer than it would under unstressed conditions. Material limitations include degraded functionality, where the operation achieves its result with reduced capability. Material limitations include additional dependencies, where the operation requires resources beyond those normally required.

Constrained observations identify the nature of the constraint.

Blocked has specific meaning within this framework. An operation is blocked if it cannot be completed under stated assumptions and stress conditions.

Blocked operations have identified causes within the model. Required components may be inaccessible. Required parties may be unavailable. Required steps may be unperformable.

Blocked observations identify why the operation cannot be completed within the model.

Indeterminate has specific meaning within this framework. An operation is indeterminate if the examination cannot determine whether the operation can be completed.

Indeterminate outcomes have identified causes. Information may be insufficient to model the operation. Dependencies may be ambiguous. Conditions may be unmodelable.

Indeterminate observations identify why determination was not possible.

Extended Definitions: Reference Artifacts

System snapshots have specific contents. They document technical components: devices, software, backups, and network infrastructure. They document informational components: documentation, credentials, and instructions. They document human components: people, their knowledge, their authority, and their availability. They document institutional components: legal arrangements, financial relationships, vendor relationships, and regulatory context.

System snapshots are timestamped. They reflect the custody system as it existed at the time of examination.

Scenario-bound observations have specific contents. They document which scenario was applied. They document which assumptions were made. They document which operations were examined. They document which outcomes were observed.

Scenario-bound observations are timestamped and assumption-bound.

Dependency maps have specific contents. They document which components depend on which other components. They document which operations require which components. They document which parties must participate in which operations.

Dependency maps are timestamped. They reflect dependencies as they existed at the time of examination.

Assumption registries have specific contents. They document availability assumptions. They document cooperation assumptions. They document accuracy assumptions. They document timing assumptions.

Assumption registries are explicit about what was taken as given.

Third-Party Encounters

Examination records may be encountered by parties who did not participate in examination. These parties include executors administering estates, attorneys advising clients, heirs inheriting assets, and courts resolving disputes.

Third parties encounter records without the context that examination participants had. Records are designed to be interpretable without external context.

Third parties may have different purposes than the original participants. Executors seek operational information. Attorneys seek legally relevant facts. Heirs seek access information. Courts seek evidence.

Records provide observations. Different readers extract different value from the same observations based on their purposes.

Third parties may question the accuracy of records. Records cannot prove their own accuracy. They provide detail that enables readers to evaluate plausibility.

Temporal Considerations

Custody systems change over time. Components are added when new devices are acquired or new accounts are opened. Components are removed when devices fail or accounts are closed. Components are modified when software is updated or documentation is revised.

Relationships change over time. Dependencies shift as the custody system evolves. People change in their availability, knowledge, and authority. Institutions change their policies and capabilities.

Examination records reflect a point in time. The custody system described in records may differ from the custody system that exists later.

Records include timestamps to establish temporal context. Readers evaluate whether records remain current based on timestamps and their knowledge of changes.

Re-examination produces new records. New records do not invalidate old records. Both describe the custody system accurately at their respective times.

Examination Scope and Limits

Examination has a defined scope. The scope includes observation of custody system components under stated assumptions. The scope includes application of named stress conditions. The scope includes recording of modeled outcomes. The scope includes production of reference artifacts.

Examination has defined limits. The limits exclude advice or recommendations. The limits exclude evaluation of adequacy. The limits exclude prediction of future outcomes. The limits exclude interpretation of records.

The scope determines what examination produces. The limits determine what examination does not produce.

Boundaries Between Components

Technical and informational components have boundaries. A hardware device is a technical component. The documentation describing how to use that device is an informational component. The device and its documentation are distinct components with a relationship.

Informational and human components have boundaries. A document describing a procedure is an informational component. The person who must execute that procedure is a human component. The document and the person are distinct components with a relationship.

Human and institutional components have boundaries. A person with authority to act is a human component. The legal framework that grants that authority is an institutional component. The person and the legal framework are distinct components with a relationship.

These boundaries are observed, not defined, by examination. The custody system has the structure it has. Examination records that structure.

Observations and Their Granularity

Observations can be made at different levels of granularity. A system-level observation addresses the custody system as a whole. An operation-level observation addresses a specific operation within the custody system. A component-level observation addresses a specific component within the custody system.

System-level observations include overall modeled outcomes for primary use cases. Can the custody system support routine transactions under stress? Can the custody system support recovery under stress? Can the custody system support inheritance under stress?

Operation-level observations include modeled outcomes for specific operations. Can a specific transaction be signed? Can a specific backup be accessed? Can a specific document be located?

Component-level observations include the status and accessibility of specific components. Is a specific device accessible? Is a specific credential available? Is a specific person available?

Examination records observations at appropriate granularity for the examination's scope.

Recording Methodology

Examination records follow a consistent methodology. The methodology includes identifying the custody system and its boundaries. The methodology includes documenting components and their characteristics. The methodology includes identifying dependencies between components. The methodology includes stating assumptions explicitly. The methodology includes applying stress conditions systematically. The methodology includes recording observations using defined vocabulary. The methodology includes timestamping all records.

The methodology is descriptive. It describes how examination proceeds. It does not prescribe how custody systems should be designed or operated.

Verification and Reporting

Examination distinguishes between verified and reported information. Verified information has been confirmed through direct observation or testing. Reported information has been stated but not independently confirmed.

The distinction is recorded explicitly. A component described as verified has been observed. A component described as reported has been stated but not observed.

The distinction has observable consequences for record interpretation. Readers can assess reliability based on verification status.

Assumption Categories

Availability assumptions address who and what is available. The owner may be assumed available or unavailable. Specific devices may be assumed available or unavailable. Specific credentials may be assumed available or unavailable. Specific documentation may be assumed available or unavailable. Specific people may be assumed available or unavailable.

Cooperation assumptions address whether parties will cooperate. Heirs may be assumed cooperative or uncooperative. Institutions may be assumed responsive or unresponsive. Professionals may be assumed available or unavailable.

Accuracy assumptions address whether information is correct. Documentation may be assumed accurate or potentially inaccurate. Reported components may be assumed present or potentially absent. Relationships may be assumed as described or potentially different.

Timing assumptions address temporal constraints. Operations may be assumed to have unlimited time or limited time. Institutions may be assumed to respond within specific timeframes. Deadlines may be assumed present or absent.

Each category of assumption bounds the meaning of observations in specific ways.

Scenario Construction

Scenarios combine stress conditions with assumptions. A scenario has a name for reference. A scenario has a definition specifying which conditions apply. A scenario has assumptions specifying what is taken as given.

Scenarios are selective. They do not model all possible conditions. They model representative conditions that reveal custody system behavior.

Scenarios are independent. The outcome under one scenario does not determine the outcome under another scenario. Each scenario produces its own observations.

Scenarios are documented. The definition and assumptions of each scenario are recorded so that observations can be interpreted correctly.

Outcome Recording

Outcomes are recorded with context. The context includes which operation was examined. The context includes which scenario was applied. The context includes which assumptions were made. The context includes when the examination was performed.

Outcomes without context are not interpretable. A statement that an operation survives has no meaning without knowing under what conditions survival was observed.

Outcomes are recorded using the defined vocabulary. Survives, constrained, blocked, and indeterminate are the permitted outcomes. Other terms are not used for outcome recording.

Outcomes are recorded with specificity when possible. A constrained outcome includes the nature of the constraint. A blocked outcome includes why blocking was observed. An indeterminate outcome includes why determination was not possible.

Artifact Organization

Reference artifacts are organized for retrieval. System snapshots document components. Scenario-bound observations document outcomes. Dependency maps document relationships. Assumption registries document assumptions. Timestamps establish temporal context.

The organization enables readers to find relevant information. A reader seeking component information consults the system snapshot. A reader seeking outcome information consults scenario-bound observations. A reader seeking relationship information consults dependency maps. A reader seeking assumption information consults assumption registries.

Artifacts reference each other where appropriate. Observations reference the components they address. Components reference the dependencies they have. Dependencies reference the assumptions that apply.

Record Durability

Records are created for long-term reference. The format enables future reading. The language enables future understanding. The organization enables future retrieval.

Records avoid dependencies that reduce durability. Proprietary formats may become unreadable. Specialized terminology may become obscure. Complex organization may become confusing.

Records are self-contained where possible. External references are documented. Assumed context is stated explicitly.

Interpretive Constraints

Records support interpretation but do not perform interpretation. Interpretation is the process of deriving meaning from records. Interpretation is performed by readers, not by examination.

Records provide information that interpretation requires. Observations provide data. Assumptions provide context. Timestamps provide temporal reference.

Records do not provide guidance on how to interpret. Interpretation depends on the reader's purpose, knowledge, and circumstances. These factors are outside examination's scope.

Professional Context

Examination may be performed by various parties. Owners may examine their own custody systems. Professionals may examine clients' custody systems. Institutions may examine custody systems under their management.

This framework defines examination, not professional standards. Professional standards for custody examination, if they exist, are defined by professional bodies, contracts, or law.

A party claiming to have performed examination produces records consistent with this framework. Records that recommend actions or certify adequacy are not examination records as defined here.

Coordination Among Parties

Examination records may be used by multiple parties. Parties may include the owner, heirs, executors, attorneys, and professionals. Different parties have different roles and different information needs.

Records provide a common reference. When parties consult the same records, they reference the same observations. This may support coordination without prescribing how coordination should occur.

Records do not grant authority. A party who reads examination records does not acquire authority over the custody system. Authority derives from other sources.

Records do not confer capability. A party who reads examination records does not acquire the capability to operate the custody system. Capability requires credentials, devices, and access that records do not provide.

Custody Operations

Custody operations are the activities that a custody system must support. Operations include maintaining control over bitcoin, transferring bitcoin, recovering bitcoin after component loss, and transitioning custody to other parties.

Routine operations assume normal conditions. The owner is available. Devices function correctly. Credentials are accessible. Documentation is findable. Institutions respond normally.

Stressed operations assume one or more stress conditions. The owner may be absent. Devices may be lost. Credentials may be unavailable. Documentation may be missing. Institutions may be delayed.

Examination observes operations under stressed conditions. The observations record whether operations survive, are constrained, are blocked, or are indeterminate under specific stress scenarios.

Recovery Paths

A recovery path is a sequence of steps that restores access after a component failure. Recovery paths exist for various failure modes. Device loss may have recovery paths through backups. Credential loss may have recovery paths through recovery phrases. Documentation loss may have recovery paths through institutional records.

Recovery paths have dependencies. A recovery path depends on the components it requires. If those components are also unavailable, the recovery path is blocked.

Recovery paths have assumptions. A recovery path assumes certain parties are available. A recovery path assumes certain information is accessible. A recovery path assumes certain procedures can be followed.

Examination records which recovery paths exist and what they depend on. Examination does not evaluate whether recovery paths are adequate.

Inheritance Transitions

Inheritance transitions are a category of custody operations. Inheritance transitions transfer custody from a deceased owner to heirs or beneficiaries. Inheritance transitions typically occur under stress: the owner is absent, heirs may be unfamiliar with the system, and legal procedures constrain actions.

Inheritance transitions have legal components. Estate administration determines who has authority. Probate procedures determine timing. Jurisdictional rules determine which procedures apply.

Inheritance transitions have technical components. Access credentials must be transferred or reconstructed. Devices must be located and accessed. Transactions must be signed and broadcast.

Inheritance transitions have human components. Heirs must understand the custody system. Executors must perform required actions. Professionals may need to provide assistance.

Examination observes how custody systems behave under inheritance-like stress conditions. The observations record whether inheritance transitions survive, are constrained, are blocked, or are indeterminate.

Multi-Signature Considerations

Multi-signature custody schemes require multiple parties to authorize transactions. These schemes have specific coordination dependencies. Multiple parties must participate. Participation must occur within timing constraints. Parties must be able to communicate and coordinate.

Multi-signature schemes have observable properties. The number of required signers is observable. The identity of potential signers is observable. The distribution of signing capability is observable.

Multi-signature schemes create specific stress vulnerabilities. If required signers are unavailable, transactions are blocked. If coordination is impossible, transactions are blocked. If timing constraints cannot be met, transactions may be blocked.

Examination records the coordination requirements of multi-signature schemes and observes behavior under scenarios where coordination may be impaired.

Backup Architectures

Backup architectures provide redundancy for critical components. Backups may exist for key material, credentials, documentation, and device configurations. Backup architectures have observable properties.

Backup location affects accessibility. Backups stored in the same location as primary components may be lost together. Backups stored in distributed locations may survive localized failures but require coordination to access.

Backup format affects usability. Backups in standard formats may be more durable. Backups in proprietary formats may depend on specific tools. Encrypted backups depend on decryption capability.

Backup access affects recovery. Backups with simple access requirements may be more accessible under stress. Backups with complex access requirements may be blocked when cognitive reliability is impaired.

Examination records backup architectures without evaluating them. The observations document what backups exist, where they are stored, what format they use, and what access they require.

Documentation Practices

Documentation describes the custody system and how to operate it. Documentation has observable properties that affect its utility under stress.

Documentation completeness affects what information is available. Complete documentation describes all components and procedures. Incomplete documentation omits information that may be essential.

Documentation accuracy affects whether information is correct. Accurate documentation reflects the current state of the custody system. Inaccurate documentation describes a custody system that no longer exists.

Documentation accessibility affects whether documentation can be found and read. Accessible documentation is stored where expected readers can find it. Inaccessible documentation exists but cannot be located or retrieved.

Documentation comprehensibility affects whether readers can understand it. Comprehensible documentation is written for its intended readers. Incomprehensible documentation assumes knowledge that readers lack.

Examination records documentation properties without evaluating them. The observations document what documentation exists, where it is stored, and what it covers.

Institutional Relationships

Institutional relationships connect custody systems to external entities. Institutions include banks, exchanges, custodians, vendors, courts, and government agencies. Institutional relationships have observable properties.

Relationship type affects what the institution provides. Banks provide account services. Exchanges provide trading and custody services. Custodians provide custody services. Vendors provide products and support. Courts provide legal processes. Government agencies provide regulatory services.

Relationship status affects whether services are available. Active relationships provide services. Terminated relationships do not. Relationships may change status without notice.

Relationship requirements affect what the custody system must provide. Institutions may require documentation, authentication, or legal authorization. Requirements may change over time.

Examination records institutional relationships without evaluating them. The observations document which institutions are involved, what relationships exist, and what requirements apply.

Legal Arrangements

Legal arrangements govern authority over custody systems. Legal arrangements include ownership structures, estate planning documents, powers of attorney, and trust agreements. Legal arrangements have observable properties.

Arrangement type affects how authority is distributed. Direct ownership concentrates authority in the owner. Joint arrangements distribute authority among multiple parties. Trust arrangements delegate authority to trustees.

Arrangement jurisdiction affects which laws apply. Different jurisdictions have different rules for interpreting and enforcing arrangements. Cross-jurisdictional arrangements may involve multiple legal systems.

Arrangement documentation affects whether arrangements can be proven. Documented arrangements have evidence of their terms. Undocumented arrangements may be difficult to establish.

Examination records legal arrangements without evaluating them. The observations document what arrangements exist, what authority they grant, and what documentation supports them.

Vendor Dependencies

Vendor dependencies connect custody systems to commercial entities. Vendors provide products and services that custody systems rely on. Vendor dependencies have observable properties.

Dependency type affects what the vendor provides. Hardware vendors provide devices. Software vendors provide applications. Service vendors provide ongoing services. Support vendors provide assistance.

Vendor status affects whether products and services remain available. Active vendors provide products and services. Discontinued vendors do not. Vendors may change status without notice.

Vendor policies affect how products and services are provided. Policies may require registration, authentication, or payment. Policies may change over time.

Examination records vendor dependencies without evaluating them. The observations document which vendors are involved, what products and services they provide, and what policies apply.

Credential Management

Credentials enable access to custody system components. Credentials include passwords, PINs, passphrases, recovery phrases, and authentication tokens. Credentials have observable properties.

Credential type affects how access is granted. Knowledge credentials require memorization or documentation. Possession credentials require physical control. Biometric credentials require physical presence.

Credential storage affects availability under stress. Memorized credentials depend on the memory holder's availability and cognitive reliability. Documented credentials depend on document accessibility. Hardware credentials depend on device availability.

Credential dependencies affect what other components are required. A credential may depend on another credential. Accessing encrypted documentation may require a decryption password. Accessing a hardware wallet may require a PIN.

Examination records credential architecture without evaluating it. The observations document what credentials exist, how they are stored, and what they protect.

Device Characteristics

Devices are physical components of custody systems. Devices include hardware wallets, computers, mobile phones, and storage media. Devices have observable properties.

Device function affects what role the device plays. Signing devices authorize transactions. Storage devices hold key material. Access devices interact with services. Backup devices preserve redundant copies.

Device location affects accessibility. Devices may be located with the owner, in secure storage, with trusted parties, or in institutional custody. Location affects who can access devices under various conditions.

Device dependencies affect what other components are required. Devices may depend on power, network connectivity, software, or other devices. A hardware wallet may depend on companion software. Companion software may depend on specific operating systems.

Device status affects whether the device functions. Operational devices perform their intended function. Failed devices do not. Device status may change over time.

Examination records device characteristics without evaluating them. The observations document what devices exist, where they are located, what they depend on, and what status they have.

Network Requirements

Network connectivity enables custody operations that require external communication. Network requirements include internet access, access to specific services, and access to the Bitcoin network.

Transaction broadcast requires network access. Signed transactions must be broadcast to the Bitcoin network. Broadcasting requires connectivity to Bitcoin nodes.

Service access requires network access. Exchanges, custodians, and other services are accessed over networks. Service access may require authentication.

Software updates require network access. Device firmware and application software may require updates. Updates are typically distributed over networks.

Examination records network requirements without evaluating them. The observations document what operations require network access and what services must be reachable.

Geographic Distribution

Custody system components may be distributed across geographic locations. Geographic distribution affects accessibility under various conditions.

Component distribution affects what is accessible from where. Components in a single location may all be inaccessible if that location is inaccessible. Components in multiple locations may provide redundancy.

Party distribution affects coordination. Parties in the same location may coordinate more easily. Parties in different locations may face communication challenges. Parties in different jurisdictions may face legal complications.

Institutional distribution affects which institutions are involved. Different locations may involve different banks, different courts, and different government agencies.

Examination records geographic distribution without evaluating it. The observations document where components are located, where parties are located, and what cross-location operations may be required.

Access Prerequisites

Access prerequisites are requirements that must be satisfied before accessing custody system components. Prerequisites include authentication, authorization, physical presence, and documentation.

Authentication prerequisites verify identity. Authentication may require credentials, biometrics, or possession of specific items.

Authorization prerequisites verify authority. Authorization may require legal documents, institutional approvals, or delegation records.

Presence prerequisites require physical presence. Some components can only be accessed in person. Some procedures can only be performed at specific locations.

Documentation prerequisites require specific documents. Institutions may require death certificates, court orders, or notarized statements.

Examination records access prerequisites without evaluating them. The observations document what prerequisites apply to which components.

Timing Constraints

Timing constraints affect when custody operations must occur or can occur. Timing constraints include deadlines, waiting periods, and sequencing requirements.

Deadlines require actions by specific times. Legal deadlines may apply to estate administration. Financial deadlines may apply to tax obligations. Technical deadlines may apply to time-locked transactions.

Waiting periods require elapsed time before actions can occur. Probate waiting periods delay estate distribution. Institutional waiting periods delay account access.

Sequencing requirements specify order of operations. Some operations must precede others. Some operations must follow others. Some operations must occur simultaneously.

Examination records timing constraints without evaluating them. The observations document what deadlines apply, what waiting periods exist, and what sequencing is required.

Capacity Requirements

Capacity requirements specify what capabilities parties must have to perform custody operations. Capacity includes technical capability, cognitive capability, and legal capacity.

Technical capability affects whether parties can operate technical components. Operating hardware wallets requires specific knowledge. Using signing software requires specific skills.

Cognitive capability affects whether parties can follow procedures accurately. Complex procedures require sustained attention. Multi-step procedures require working memory. Judgment calls require decision-making capacity.

Legal capacity affects whether parties can take legally binding actions. Minors may lack legal capacity. Incapacitated persons may lack legal capacity. Unauthorized persons may lack legal capacity.

Examination records capacity requirements without evaluating them. The observations document what capabilities are required for which operations.

Communication Requirements

Communication requirements specify what information must flow between parties. Communication includes notification, coordination, and information transfer.

Notification communication informs parties of events or requirements. Heirs may need notification of inheritance. Institutions may need notification of death. Professionals may need notification of engagement.

Coordination communication aligns actions among parties. Multi-signature transactions require coordination among signers. Estate administration requires coordination among fiduciaries.

Information transfer communication provides data between parties. Credentials may need to be transferred. Documentation may need to be shared. Instructions may need to be communicated.

Examination records communication requirements without evaluating them. The observations document what communications are required for which operations.

Failure Modes and Recording

Examination observes that certain conditions produce blocked outcomes. These blocking conditions are recorded without characterization as failures.

A blocked outcome is an observation that an operation cannot be completed under stated conditions. Blocking is not failure in a normative sense. Blocking is a modeled outcome.

Different conditions produce different blocking. Owner absence may block some operations. Device loss may block other operations. Institutional delay may block still other operations.

Examination records which conditions produce which blocking. The records enable readers to understand under what conditions operations cannot be completed.

Indeterminate Outcomes and Recording

Examination observes that some outcomes cannot be determined. These indeterminate outcomes are recorded with explanation.

Indeterminate outcomes occur when information is insufficient. Missing documentation may prevent determination. Unknown dependencies may prevent determination. Unverifiable claims may prevent determination.

Indeterminate outcomes occur when conditions are unmodelable. Human behavior under stress may be unpredictable. Institutional responses may be uncertain. Future events may be unknowable.

Examination records why determination was not possible. The records enable readers to understand the limits of the examination.

Record Completeness

Examination records are complete within their scope. Completeness means that the records document what the examination observed.

Completeness does not mean exhaustiveness. Examination does not claim to observe everything relevant. Examination observes what is within scope.

Completeness is documented. Records indicate what was examined. Records indicate what was not examined. Readers can assess whether the examination addresses their concerns.

Record Accuracy

Examination records are accurate to the best of the examiner's ability. Accuracy means that the records faithfully represent what was observed.

Accuracy is constrained by information quality. Observations based on inaccurate information produce inaccurate records. Examination distinguishes verified from reported information to help readers assess accuracy.

Accuracy is constrained by examiner capability. Complex custody systems may exceed examiner understanding. Examination acknowledges limits where they exist.

Scenario Coverage

Examination applies multiple scenarios to achieve coverage. Coverage refers to the range of conditions under which the custody system has been observed.

Scenario selection affects coverage. Scenarios that address common stress conditions provide broad coverage. Scenarios that address unusual conditions provide targeted coverage.

Coverage has observable consequences for record utility. Broad coverage produces records across many circumstances. Narrow coverage produces records across specific circumstances.

Examination documents which scenarios were applied. Readers can assess whether coverage addresses their concerns.

Modeled Versus Actual Behavior

Examination produces modeled observations. Modeled observations describe how the custody system appears to behave under stated assumptions. Actual behavior may differ from modeled behavior.

Models simplify reality. Models cannot capture all relevant factors. Models may omit factors that affect actual outcomes.

Models assume stated conditions. Actual conditions may differ from stated conditions. Differences between modeled and actual conditions affect whether observations apply.

Examination records are explicit about their modeled nature. Observations are modeled outcomes, not predictions. Readers interpret records with this understanding.

Examination Boundaries

Examination has boundaries that define what is included and excluded. Boundaries are stated explicitly.

Custody system boundaries define which components are examined. Components inside the boundary are examined. Components outside the boundary are not examined.

Temporal boundaries define when examination occurs. Examination observes the custody system at a point in time. Earlier and later states are not observed.

Scope boundaries define which operations are examined. Operations within scope are examined. Operations outside scope are not examined.

Examination documents its boundaries. Readers can assess whether boundaries are appropriate for their purposes.

Artifact Formats

Reference artifacts are produced in specific formats. Formats affect accessibility and durability.

Document formats affect readability. Standard formats remain readable over time. Proprietary formats may become unreadable.

Data formats affect interpretability. Structured data enables analysis. Unstructured data requires interpretation.

Storage formats affect durability. Durable formats survive storage media changes. Fragile formats may be lost.

Examination produces artifacts in formats selected for durability and accessibility.

Artifact Distribution

Reference artifacts may be distributed to multiple parties. Distribution affects who can access records.

Distribution scope affects availability. Narrow distribution limits access. Broad distribution increases access.

Distribution security affects confidentiality. Secure distribution protects sensitive information. Insecure distribution may expose sensitive information.

Distribution timing affects currency. Immediate distribution provides current records. Delayed distribution may provide outdated records.

This framework does not prescribe distribution practices. Distribution decisions are made by parties who control the records.

Ongoing Validity

Examination records have validity that changes over time. Validity depends on whether the custody system has changed.

Unchanged custody systems have valid records. If the custody system is the same as when examined, the records accurately describe it.

Changed custody systems may have invalid records. If the custody system has changed, the records may no longer describe it accurately.

Determining validity requires assessing change. Parties must evaluate whether the custody system has changed since examination.

Supersession

Later examination records may supersede earlier records. Supersession occurs when a new examination produces new records for the same custody system.

Superseded records remain accurate for their time. A superseded record accurately describes the custody system at the time of that examination.

Current records describe current state. The most recent examination records describe the custody system at the most recent examination time.

Both records may be consulted. Earlier records may document history. Later records may document current state.

Examination Triggers

Examination may be performed at various times. Triggers for examination include initial setup, material changes, regular intervals, and anticipated stress.

Initial setup examination documents the custody system as constructed. This provides a baseline record.

Change-triggered examination documents the custody system after material changes. This keeps records current.

Interval-based examination documents the custody system at regular times. This provides ongoing verification.

Anticipated-stress examination documents the custody system when stress is expected. This prepares records for likely use.

This framework does not prescribe when examination should occur. Timing decisions are made by parties who control the custody system.

Examination Resources

Examination requires resources. Resources include time, expertise, and access.

Time resources affect examination depth. More time enables more thorough examination. Less time constrains examination scope.

Expertise resources affect examination quality. Greater expertise enables more sophisticated observation. Lesser expertise constrains what can be observed.

Access resources affect what can be examined. Greater access enables observation of more components. Lesser access constrains what can be observed.

Examination is performed within available resources. Records document the resources that were available and how they constrained examination.

Examiner Role

The examiner performs examination activities. The examiner observes, records, and produces artifacts.

The examiner role is defined by this framework. The examiner observes the custody system. The examiner applies stress conditions. The examiner records observations. The examiner produces reference artifacts.

The examiner role excludes activities outside the framework. The examiner does not advise. The examiner does not recommend. The examiner does not certify. The examiner does not guarantee.

The examiner may be any qualified party. Owners may examine their own custody systems. Professionals may examine clients' custody systems. Institutions may examine custody systems they manage.

Framework Versioning

This framework may be revised over time. Revisions may add, modify, or remove elements.

Versioned frameworks enable consistency. Records reference the framework version used. Readers can interpret records according to the applicable framework.

Framework changes do not invalidate prior records. Records created under earlier versions remain valid for their version.

This document is Version 1.0 of the framework.

Part III — Stress as an Examination Lens

Chapter 7: What Stress Means in This Context

Stress, as used in this framework, refers to conditions that constrain or complicate custody operations. Stress is not an event. It is not a crisis. It is not a threat. Stress is a modeling lens that shapes how the custody system is observed.

Stress as Condition, Not Event

Stress conditions are states, not occurrences. They describe circumstances that may obtain, not things that happen. States can be modeled while events cannot be predicted.

Owner unavailability is a stress condition. The owner is either available or unavailable. Examination observes how the custody system appears under each condition. Examination does not predict when the owner will become unavailable or why.

Stress as Constraint, Not Threat

Stress conditions constrain custody operations. They limit what is possible. They do not threaten the custody system in any active sense. There is no adversary. There is no attack. There are only conditions that make certain operations more difficult or impossible.

Threat language implies danger, urgency, and the need for protective action. Constraint language implies limitation and boundary. This framework uses constraint language.

Stress as a Modeling Lens

Stress conditions function as lenses through which the custody system is observed. Different stress conditions reveal different aspects of the system. A system observed under one set of stress conditions may appear very different when observed under another set.

By varying stress conditions, examination produces multiple views of the same custody system. Each view is valid under its stated conditions.

Chapter 8: Scenario-Based Examination

Examination uses named scenarios to apply stress conditions. Each scenario represents a defined set of conditions under which the custody system is observed.

Why Scenarios Are Used

Exhaustive modeling of all possible stress conditions is impractical. The number of combinations is too large. Many combinations are unlikely to co-occur.

Scenarios provide a practical alternative. By defining a limited number of representative scenarios, examination covers ground without attempting to address every possibility. Scenarios are selective by design.

Scenarios as Named Conditions

Each scenario has a name and a definition. The name provides a shorthand for reference. The definition specifies what conditions the scenario assumes. When examination is performed under a scenario, the results are bound to that scenario's conditions.

Scenarios Are Not Predictions

A scenario is not a prediction that certain conditions will occur. It is a hypothetical used for observation. Examining a custody system under a particular scenario does not imply that the scenario is likely, expected, or even possible.

A record showing that the custody system is blocked under a particular scenario does not predict that blocking will occur. It observes that, if the scenario's conditions were to obtain, blocking would be observed.

Chapter 9: Applying Scenarios Without Explanation

Examination applies scenarios to custody systems and records observations. It does not explain why the observations occur.

Owner Absence

Owner absence is a stress condition in which the primary custody operator is not available to participate in custody operations. This condition may apply temporarily or indefinitely.

Examination records what components remain accessible, what operations remain possible, and what dependencies are affected when the owner is absent.

Cognitive Unreliability

Cognitive unreliability is a stress condition in which persons involved in custody operations cannot be relied upon to remember, reason, or decide accurately. This condition may apply to the owner, to heirs, to helpers, or to any combination of parties.

Examination records dependencies on human cognition.

Device Loss

Device loss is a stress condition in which physical devices required for custody operations are not available. Devices may be lost, destroyed, stolen, inaccessible, or nonfunctional.

Examination records what recovery paths exist, what backup mechanisms apply, and what dependencies are affected by device loss.

Institutional Delay

Institutional delay is a stress condition in which institutions required for custody operations respond slowly or not at all. Institutions may include banks, exchanges, custodians, vendors, courts, or government agencies.

Examination records what operations depend on institutional response, what timelines are affected, and what alternatives exist.

Coordination Dependency

Coordination dependency is a stress condition in which custody operations require cooperation among multiple parties. Coordination may be difficult to achieve if parties are unavailable, uncooperative, in conflict, or unable to communicate.

Examination records what operations require coordination, what parties must be involved, and what happens if coordination cannot be achieved.

Jurisdictional Friction

Jurisdictional friction is a stress condition in which custody operations cross legal or geographic boundaries that create complications. Different jurisdictions may have different rules, different authorities, different institutions, and different timelines.

Examination records what jurisdictional dependencies exist, what authorities may be involved, and what cross-border operations may be required.

Part IV — Recorded Observations and Outcomes

Chapter 10: Modeled Outcome States

When examination observes a custody system under stress conditions, it records modeled outcomes. These outcomes describe observed system behavior, not judgments about quality or adequacy.

The vocabulary is deliberately limited: survives, constrained, blocked, and indeterminate. Terms like pass, fail, safe, or adequate carry implications that examination does not support.

Survives

Survives indicates that, under stated assumptions and stress conditions, the custody operation in question can be completed. The required components are accessible, the required parties are available or unnecessary, and the required steps can be performed.

Survives is an observation about modeled behavior. It is not a prediction that the operation will succeed in practice. It is not a certification that the custody system is adequate.

Constrained

Constrained indicates that, under stated assumptions and stress conditions, the custody operation in question can be completed but with material limitations. Limitations may include partial access, extended timelines, degraded functionality, or additional dependencies.

Constrained observations describe the nature of the constraint when possible.

Blocked

Blocked indicates that, under stated assumptions and stress conditions, the custody operation in question cannot be completed. Required components are inaccessible, required parties are unavailable, or required steps cannot be performed.

Blocked is an observation about modeled behavior under specific conditions. It is not a prediction that the operation will fail in practice. Different assumptions or different stress conditions might produce different observations.

Indeterminate

Indeterminate indicates that, under stated assumptions and stress conditions, the examination could not determine whether the custody operation in question can be completed. This may occur because of insufficient information, ambiguous dependencies, or conditions that cannot be modeled.

Indeterminate outcomes indicate insufficient information for determination.

Outcomes Are Not Judgments

Modeled outcomes describe observed behavior within the examination model. They do not judge whether the custody system is good or bad, safe or unsafe, adequate or inadequate. They observe what happens under stated conditions.

A custody system that survives under one set of conditions may be blocked under another. Neither outcome implies system quality. Both are observations bound to their assumptions.

Chapter 11: Time-Bound Validity

Examination produces records that are valid at the time of examination. They may not remain valid indefinitely.

Why Outcomes Decay

Custody systems change over time. Components are added, removed, or modified. Relationships between components shift. People involved in the system change in their availability, capacity, or willingness to participate. Institutions change their policies, capabilities, or existence.

These changes may invalidate examination records without anyone acting to change them. A record that accurately described the custody system at one time may no longer describe it accurately at a later time.

Examination records have time-bound validity. They describe the system as of a specific date.

Re-examination Does Not Imply Error

A later examination that produces different results than an earlier examination does not imply that either examination was incorrect. Both may accurately describe the custody system at their respective times. The difference reflects change in the system, not error in examination.

Documents Are Snapshots

Examination records are snapshots. They capture a moment. They do not establish permanent truths about the custody system.

Chapter 12: Partial States and Irreversibility

Examination may observe custody systems in partial states, where some operations can be completed but others cannot.

Partial Access

A custody system may permit partial access under stress conditions. Some bitcoin may be accessible while other bitcoin is not. Some operations may be possible while others are blocked.

Examination records partial access by noting which operations survive, which are constrained, and which are blocked.

Sequence Sensitivity

Some custody operations are sequence-sensitive. The order in which steps are performed may affect outcomes.

Examination may observe sequence sensitivity by noting that outcomes depend on the order of operations.

Irreversibility

Some custody operations are irreversible. Once performed, they cannot be undone.

Examination records irreversibility as an observed property of certain operations. It does not advise on whether such operations should be performed or avoided.

Part V — Reference Artifacts

Chapter 13: What Examination Produces

Examination produces reference artifacts. These artifacts record what was observed, under what assumptions, at what time.

System Snapshots

A system snapshot records the components of the custody system as observed at the time of examination. It documents what devices, credentials, documentation, people, and institutions are part of the system.

System snapshots are descriptive inventories. They do not evaluate whether the components are sufficient, appropriate, or well-configured.

Scenario-Bound Observations

Scenario-bound observations record how the custody system appeared under specific stress conditions. Each observation is linked to a named scenario and its defined assumptions.

These observations describe modeled behavior under stress, using the outcome vocabulary defined in this framework.

Dependency Maps

A dependency map records relationships between components of the custody system. It documents what components depend on other components, what operations require what resources, and what parties must be involved in what activities.

Dependency maps record dependencies that were identified, not all dependencies that may exist.

Assumption Registries

An assumption registry records the assumptions under which examination was performed. It documents what was taken as given, what conditions were assumed to obtain, and what limitations applied to the examination.

Timestamped Records

All examination artifacts include timestamps indicating when examination was performed. Timestamps establish the time-bound validity of records.

Chapter 14: What Records Can and Cannot Establish

What Records Can Establish

Records can establish what was described. If the custody system was described as including certain components, records document that description.

Records can establish what was modeled. If examination observed the custody system under certain stress conditions, records document those observations.

Records can establish what assumptions were used. The assumptions that shaped examination are documented and available for review.

What Records Cannot Establish

Records cannot establish adequacy. They do not certify that the custody system is sufficient for any purpose.

Records cannot establish correctness. They do not verify that the custody system is configured properly, documented accurately, or operated safely.

Records cannot establish recoverability. They do not guarantee that bitcoin can be recovered under any circumstances.

Records cannot establish future outcomes. They document observations at a point in time.

Chapter 15: Storage, Sharing, and Reading

Records as Reference Artifacts

Examination records exist to be consulted later. They are preserved for later reference.

How records are stored is outside the scope of this framework.

Sharing Does Not Grant Authority

Sharing examination records with other parties does not grant those parties any authority over the custody system. Records are informational. They do not confer permissions, rights, or powers.

Reading Does Not Confer Capability

Reading examination records does not confer the capability to operate the custody system. Records describe the system; they do not provide credentials, devices, or access.

Part VI — Use Without Obligation

Chapter 16: Appropriate Use

Context

Examination records are used to provide context about a custody system. A party unfamiliar with the system may consult records to understand its components, dependencies, and observed behavior under stress conditions.

Reference

Examination records are reference materials. Parties may consult records to refresh their understanding, verify recollections, or locate specific information about the custody system.

Clarification

Examination records are used to clarify uncertainties about the custody system. When questions arise about what the system includes or how it was observed to behave, records may provide answers.

Coordination Support

Examination records may support coordination among parties involved with the custody system. When multiple parties must work together, shared access to records may help them align their understanding.

Coordination support is an emergent property of records, not a designed feature.

Chapter 17: Explicitly Rejected Uses

As Proof of Safety

Examination records are not proof that the custody system is safe. They do not certify safety. They do not guarantee that bitcoin will be preserved, accessible, or recoverable.

As Certification

Examination records are not certifications. They do not attest that the custody system meets any standard, satisfies any requirement, or qualifies for any designation.

As Advice

Examination records are not advice. They do not recommend actions. They do not suggest changes. They do not identify problems that should be fixed.

As a Standard of Care

Examination records do not establish a standard of care. They do not define what custody systems should look like or how they should be configured.

As a Substitute for Judgment

Examination records are not a substitute for judgment. Decisions about custody systems require judgment that considers factors beyond what examination records contain.

Chapter 18: Legal and Professional Boundaries

No Advisory Relationship

Examination does not create an advisory relationship between any parties. The party performing examination does not advise the party whose system is examined. No advice is given. No guidance is provided. No recommendations are made.

No Fiduciary Implication

Examination does not create fiduciary duties. The party performing examination does not owe fiduciary duties to the party whose system is examined or to any other party.

No Reliance Guarantee

Examination records do not guarantee that reliance on them will produce good outcomes. Parties who consult records do so at their own risk. Records may be outdated, incomplete, or inapplicable to the reader's circumstances.

No warranty is provided.

Part VII — Closing Frame

Chapter 19: The Neutral Reference Question

The neutral reference question is: Has a Bitcoin custody examination under stress been performed?

This question can be asked without implying judgment. It does not ask whether the custody system is adequate. It does not ask whether examination was successful. It does not ask whether the results were favorable. It asks only whether examination occurred.

A positive answer means that records exist. It does not mean that the custody system is well-designed, properly configured, or likely to succeed under stress.

The question creates no obligation. Asking whether examination was performed does not imply that examination should have been performed. A negative answer carries no connotation of negligence or failure.

Chapter 20: Final Boundary Statement

This document defines examination. It defines nothing else.

The document does not define how Bitcoin custody systems behave. Behavior is a property of systems, not of examination. Examination observes systems; it does not explain them.

The document does not define how Bitcoin custody systems fail. Failure is an outcome that may or may not occur. Examination records observations that may be relevant to understanding failure, but it does not explain failure itself.

The document does not define how bitcoin is recovered. Recovery is an activity that involves interpretation, decision-making, and action. Examination precedes these activities. It does not govern them.

The document does not define what anyone should do. Instruction is not within the scope of this document.

This document describes examination only.

Appendices

Appendix A: Canonical Examination Vocabulary

Examination: The process of observing a Bitcoin custody system under stated assumptions and stress conditions, and recording those observations.

Custody system: The complete arrangement of components required to maintain control over bitcoin and to transfer that control when necessary, including technical, informational, human, and institutional components.

Stress condition: A defined state that constrains or complicates custody operations, used as a lens for observation.

Scenario: A named set of stress conditions under which examination is performed.

Assumption: A condition taken as given for purposes of examination, which bounds the meaning of observations.

Survives: A modeled outcome indicating that, under stated assumptions and stress conditions, the custody operation in question can be completed.

Constrained: A modeled outcome indicating that, under stated assumptions and stress conditions, the custody operation in question can be completed but with material limitations.

Blocked: A modeled outcome indicating that, under stated assumptions and stress conditions, the custody operation in question cannot be completed.

Indeterminate: A modeled outcome indicating that the examination could not determine whether the custody operation in question can be completed.

Reference artifact: A record produced by examination, intended to be consulted later.

Snapshot: A record of the state of the custody system at a specific point in time.

Time-bound validity: The property of examination records that limits their applicability to the time at which examination was performed.

End of Document

Version 1.0